

CITY OF SURPRISE ECONOMIC DEVELOPMENT DEPARTMENT IN PARTNERSHIP WITH
KEALEY & ASSOCIATES, INC.

Report on the Feasibility of Cross-Border Healthcare for Canadians in Surprise, Arizona

Discussion, Research and Findings of the Surprise-Canada Cross-Border Healthcare Taskforce

Report compiled by Jeanine Jerkovic, Economic Development Director, City of Surprise, Arizona and Marc Kealey, CEO of Kealey & Associates, Inc.

Release Date: February 6, 2018

This feasibility report is an examination of the viability of delivering affordable, quality Canadian standards of healthcare services and products to Canadians outside of Canada. The goal of the analysis is to develop a plan of action to create a pilot project in the City of Surprise, Arizona.

Table of Contents

1. Acknowledgements.....	1
2. Executive Summary.....	4
3. Background.....	5
4. Service Models.....	8
5. Evaluation Criteria.....	10
6. Market Analysis.....	10
7. Surprise, Arizona Host Community - Viability.....	17
8. Healthcare Infrastructure Analysis.....	20
9. Role of First Nations.....	21
10. Medical Offering.....	22
11. Recommendations.....	22
12. Appendix A: Surprise-Canada Cross-Border Healthcare Survey Results.....	24
13. Appendix B: Surprise Economic Development Survey Validation by Rounds Consulting.....	25
14. Appendix C: Medical Offering Case Study Outline.....	26

1. Acknowledgements

This feasibility report was supported by a number of valued leaders, thinkers, advocates and partners without whom the initiative’s pursuit would never have been possible.

We would first like to wholeheartedly thank former Prime Minister to Canada, the Right Honourable John N. Turner PC CC QC and Her Worship Sharon Wolcott, Mayor of the City of Surprise for their exquisite vision, support and decisive leadership, which made the exploratory process completely possible. It was both Mr. Turner and Mayor Wolcott who assembled a roundtable of notable Canadian and US health professionals and advocates in Toronto, Canada to muse publicly about the possibility of a health facility of the magnitude now under consideration in Surprise, Arizona. The Co-Chairs, in turn, thank them and particularly the Mayor, for the nomination and honor of chairing a cross-border taskforce in 2017, which we hope will bear the fruits of prosperity between our two nations for years to come.

A special thank you goes out to Canadian Honorary Consul to Arizona and Canada Arizona Business Council President & CEO, Mr. Glenn Williamson. We are incredibly grateful for his friendship, talents, leadership and perspective without which this endeavor would not have been possible. His knowledge of the Canadian health system, advocacy and encouragement for the project are deeply appreciated beyond words.

Thank you to the Surprise City Council: Vice-Mayor Todd Tande, Councilmember Skip Hall, Councilmember Roland Winters, Councilmember Ken Remley, Councilmember Patrick Duffy,

and former Councilmember John Williams. We cannot thank them all enough for their patience as we waded through the process to get to this point, their enthusiasm, encouragement and support. As elected officials, they have a duty to the citizens of the City of Surprise and they are stewards of and for its future growth. We are impressed that they embraced the pilot project concept at the outset. They like us, believe the City of Surprise is uniquely situated to develop the project and we are encouraged by their belief that it could be a model for other jurisdictions in the US and globally.

A very special acknowledgement goes out to Surprise Councilmember Jim Hayden, who passed away in early 2018. He is sorely missed and will be remembered for his genuine kindness, his infectious smile and moreover his attentive interest in the project's success. Councilmember Hayden, like his Council colleagues, held significant curiosity about the project's potential - he noted that the number of long-term visitors from Canada to Surprise continued to grow which would lead to a positive impact on and for those who used the facility and the citizens of Surprise.

Through the Mayor's and Council's leadership, we as the co-chairs of the project assembled a group of Canadian and US experts to help us through the process of completing this feasibility report. We enthusiastically thank Taskforce members from Canada and Surprise, Arizona. They provided data, real-world experience and thought-provoking insights throughout the entire process. Their assistance with research and program planning was dependable and credible and is reflected in this report. Their diversity of expertise and experience united by their passionate commitment to a sometimes-obscure but wholly unique concept made the endeavor both a memorable and successful one. In many cases, we started the process as colleagues and finished it as friends, and for that, we are especially grateful to them all. The pleasure and honor to work together was ours.

Canada Taskforce members included:

Mr. Nolan Charles; Council Member, Musqueam First Nation, Vancouver, Canada

Mr. Chris MacLeod Esq. Founder and Partner at Cambridge LLP, Toronto, Canada;

Ms. Yvonne Chan, President of Oncidium Health, Toronto, Canada

Mr. Ned Allam, PArch, Principal and CEO of Array International Architects and Engineers, Toronto, Canada

Dr. Anthony Chris MD FRCSC, Orthopaedic Surgeon in Kitchener-Waterloo, Canada

Dr. Sunil (Sunny) Handa MD MBA, CEO Handa Medical Group and Easton University, Mississauga, Canada

Surprise Taskforce members included:

Ms. Rhonda Anderson; former CEO of Cardon Children's Medical Center; current Healthcare Consultant, RMA Consulting of Arizona and global medical travel certification expert, Phoenix, AZ

Ms. Cheryl Aisporna BScn RN; Clinical Director of Operations, Trinity Air Medical, Tempe, AZ and resident of the Surprise, Arizona

Dr. Linh Nguyen MD MMM; CEO and Founder MD24 House Call, Telemedicine Services, Surprise, AZ

Mr. Curtis Whyte, a Canadian resident of Surprise and retired executive proudly spending half his time in Surprise and the other half in Alberta and lending his experience, thoughts and talents to this process.

Mr. Satish Kholay, CEO, idLink Systems, and Advisory Board Member of the AZ TechCelerator, Surprise, AZ

Mr. Roger Morris, RPharm, LLB, Partner Quarles LLP, Phoenix, AZ

Mr. David Levesque, Clinical Lead Andaman7 Corporation, California

We genuinely thank the City of Surprise City Manager Mr. Bob Wingenroth and Assistant City Manager Ms. Nicole Lance for their support, encouragement and guidance throughout the process.

We also cannot acknowledge enough the tremendous research, logistical and intellectual contributions of the Surprise Economic Development Department, including Mr. Mike Hoover, Ms. Suzanne Boyles, Ms. Kelsey Lamphier, Ms. Julie Neal, Mr. Al DeAngelis and Ms. Kendra Hoffman. It is through their dedication and hard work that this project was completed in such a timely manner. Moreover their talents have made it possible for the City of Surprise to be recognized nationally as a global business city.

We would also like to show our gratitude to Cobalt Rehabilitation, Banner Healthcare, CORE Institute, Dignity Health, The Mayo Clinic, Phoenix Children's Hospital, Phoenix Spine, Smiles by Delivery and so many others throughout the medical and development community in and around the City of Surprise for their support and advice during the course of this exploratory feasibility process. They acknowledged that we are creating something special in the region and we are grateful for their collaboration and cooperation. The work they do provides benefits to millions of future patients in need of care.

For those not mentioned herein, please understand that it is purely unintentional. We also acknowledge that any errors identified within the report are our own and, as such, will and should have no negative impact on the stellar reputations of those esteemed institutions or individuals herein mentioned.

With most sincere gratitude, this report is respectfully submitted to Council, City of Surprise this 6th Day of February, 2018

Marc Kealey
CEO, Kealey & Associates Inc.
Canada Taskforce Co-Chair

Jeanine Jerkovic
Economic Development Director, City of Surprise
Surprise Taskforce Co-Chair

2. Executive Summary

This *Report on the Feasibility of Cross-Border Healthcare for Canadians in Surprise, Arizona* identifies the Canadian medical travel market opportunity and explores pathways for providing a healthcare delivery model for the increasing number of existing and future Arizona visitors and residents who originate from Canada.

The concept, which prompted this feasibility report and the process thereto, was launched in February 2017 by Her Worship, Sharon Wolcott, Mayor of the City of Surprise after a meeting she had with the Right Honourable John N. Turner PC CC QC, Canada's 17th Prime Minister and a prominent statesman. The meeting occurred during an economic development-led visit by the Mayor to Toronto, Canada. Part of the meeting included a roundtable discussion with noted healthcare professionals, clinicians and public policy specialists who agreed to the merit of providing healthcare services meeting Canadian standards for the thousands of visitors who spend protracted periods of time in the State of Arizona – particularly the City of Surprise.

The economic linkages between the great State of Arizona and the country of Canada are notable and growing stronger more so today than in the State's recent history. In fact, more than 350 Canadian-owned companies have expanded operations into Arizona; there are 176 direct flights each week from multiple Canadian cities to Arizona and more than 20,000 Canadians own residential property in Maricopa County, where the City of Surprise is located. Furthermore, the trade relationship between Arizona and Canada currently represents a \$4.4 billion bilateral trade value, with more than 146,000 jobs in Arizona dependent upon its trade relationship with Canadians and Canadian business. According to the Arizona Department of Tourism, the Canadian visitor profile in Arizona is strong and growing, with nearly one million Canadians visiting Arizona each year spending roughly \$1.4 billion (USD) annually – the tourism spending equivalent of three Super Bowl-sized events. Further, Canadians stay an average of 17 days when they visit Arizona. The most popular months for Canadians to visit Arizona are those cold weather months in Canada – from the end of October to the beginning of April.

As seasonal Canadian visitors return to Arizona in ever-increasing numbers, the City of Surprise is studying how to provide better, more innovative healthcare options for them in the future. The Surprise Economic Development Department began collaboration with Kealey & Associates Inc. (K&A) a healthcare design and management company located in Toronto, Canada on an initiative to contemplate the provision of Canadian medical services and Canadian medical practitioners to the Surprise market. The City of Surprise has always aspired to be a medical destination for services where rehabilitation and recovery is most desirable for patients seeking to do so in an attractive location with an equally attractive climate. As such, the City of Surprise and K&A took the initiative to persuade the Mayor to appoint Mr. Marc Kealey (K&A) and Mrs. Jeanine Jerkovic (City of Surprise, Department of Economic Development) as co-Chairs of the Cross-Border Healthcare Initiative. They in turn, assembled a Taskforce early in 2017 with Taskforce members from both Canada and the City of Surprise. The report to follow is the result of the Taskforce discussions, research and findings.

Considerations

The feasibility report resoundingly provides a solid market opportunity based on;

- Survey results from a City of Surprise initiated survey that was directed at Canadians who either owned property in the area or visited the areas for protracted periods of time on a frequent basis;

- Market analysis conducted by the Economic Development Department highlighting concentrated Canadian originating seasonal residents and their propinquity to the City of Surprise to seek Canadian based healthcare services;
- Surprise as an optimal launch point because of the considerable concentration of seasonal residents from Canada who either own property in the City or spend protracted periods of time in rental properties in the City. More importantly, there is tremendous attention on the area from Canadian business that have relocated to the area from Canada because of active promotional and outreach efforts by the City of Surprise;
- Healthcare infrastructure, where there is opportunity to collaborate on integrated health services with existing healthcare facilities. The City has superior infrastructure that can complement what might be proposed at the facility under consideration throughout this report;
- Role of First Nations is an important consideration given that both Canada and the United States aspire to collaborate more with the First Nations on a variety of initiatives including healthcare and education. This facility under consideration contemplates a service offering, robust educational and research-based opportunity for First Nation patients and providers.
- The Medical Offering, from the myriad research and data compiled by the Taskforce, wherein it's appropriate to deliver services for patients in orthopedics, ophthalmic and chronic disease management given that Canadians currently face long-wait times in their country for full or partial joint replacement or eye surgeries. At the same time, there is an opportunity to attract medical professionals from Canada – especially in orthopedics who either want locum opportunity during cold weather months or because of system issues in Canada related to lack of Operating Room time and other related issues.
- Other potential markets were also considered attractive for the project including fee paying patients from Mexico and China who would utilize the facility based on the unique offering of Canadian clinical professionals and Canadian health services. There are over 280 million Chinese seniors for example who travel more frequently than ever and are attracted to Canadian healthcare because of Dr. Norman Bethune who was a Canadian physician who worked in China during its cultural revolution. His stature in China puts Canadian health in a heralded position for its 1.4 billion citizens.

3. Background

City of Surprise and its Canada-focused Economic Development Strategy:

The City of Surprise has grown from just 7,000 people in 1990 to its current population of 135,000. It is situated in the northwest Greater Phoenix market, and is proximate to some of the State's professional sports facilities hosting the NHL Coyotes and the NFL Cardinals in Glendale. The population in the City of Surprise is diverse, family-oriented and growing, offering world-class amenities that include an award-winning MLB Spring Training Sports and Recreation Complex, 25 championship tennis courts that attract international competition, and 30,000 acres of parkland next to the gorgeous White Tank Mountains suitable for outdoor recreation including: hiking, horseback riding and cycling – attractive amenities for visitors from Canada who want to be outdoors in Arizona during the cold Canada winter months.

As the City continues to grow, it is transitioning from a “bedroom” suburban community as it was in the 1990's to a community committed to attracting and developing a robust innovation sector, an increasing retail environment and, by extension, employment close to home. The City of Surprise has proactively pursued a variety of economic development strategies in recent

years to increase its brand profile and build a more robust, full-service economy that attracts people to want to call Surprise home or to visit for greater lengths of stays because of its amenities.

In 2013, the Surprise City Council delivered a City Council Strategic Plan (<https://www.surpriseaz.gov/DocumentCenter/View/19037>), which had specific goals and strategies outlined to advance economic development. One of the goals (“goal 5”) was, “Attract specialty medical and/or research clinics.” Five years ago, the Surprise City Council recognized the enormous and changing healthcare landscape and the potential opportunities for the growing community to take a proactive, central role in its advancement.

As a part of its comprehensive economic development vision, Surprise realized the economic importance of the Canadian market and its potential positive impact on the City’s growth nearly four years ago, starting with membership in the Canada-Arizona Business Council. The Canada-Arizona Business Council is one of the country’s more active economic organizations seeking stronger economic ties and relations between Canada and the State of Arizona. While many Arizona communities have historically opted to focus on economic partnerships and the like with cities and provinces in Western Canada – “if” they focused on Canada at all – the City of Surprise noted the economic strength and global diversity of the Greater Toronto Area (GTA) market in central Canada and began to pursue that market. In 2015, a sustained, tenacious Economic Development-led program called Surprise International committed to identifying business opportunities in Canada, outside of the heretofore traditional markets of western Canada that western States seemed to concentrate on in the past. Surprise International was attracted to the City of Toronto for obvious reasons – its international status among its core rationale. The Surprise Economic Development team developed hundreds of Canadian market relationships with the goal of identifying strategic relationships leading to business expansions, investment prospects and cross-border innovations – the GTA and Montreal, Quebec have been fruitful markets to that end.

City of Surprise Cross-Border Partnership with Kealey & Associates:

In June 2016, Economic Development team from Surprise was introduced to Marc Kealey, the principal at Kealey & Associates Inc. The purpose of the meeting was to pursue more active relations in the expanding healthcare market. The Surprise team was astonished to learn of the growing volume of Canadian visits, investments and business expansions taking root in Arizona in key infrastructure areas – including healthcare - and the potential for the City of Surprise to position itself at the center of this trend.

Marc Kealey’s background is an ideal one for pursuit of a cross-border healthcare initiative with the City of Surprise. With over 25 years’ experience in healthcare design and management and health advocacy, Marc Kealey is now a leading voice for transformation in health care and prescription drug reform as Chief Advocate at Kealey and Associates Inc.(K&A), an advocacy and strategy implementation firm in Canada. He is an advisor to several organizations in Canada and internationally on health and drug policy. As recently as spring 2007, Marc was CEO of Canada’s largest pharmacy organization and helped spearhead effective cost containment strategies now implemented in Canada, the USA and globally. He has worked extensively on healthcare projects throughout most of Latin America, but is recognized particularly for the work he accomplished in Cuba – he was the first Canadian to successfully negotiate infrastructure projects there, which lead to similar work in South America, Europe and Asia. Before his career in health management, Marc served as the Administrator of Whitby General Hospital, where he led the acute care restructuring campaign in Durham Region, east of Toronto. His work there laid the groundwork for the creation of the first hospital system in

Ontario and forged the template for the model in practice throughout Canada today. Prior to this, Marc Kealey served as an advisor to former Prime Minister of Canada John N. Turner in Ottawa.

In January 2017, Mayor Sharon Wolcott visited Toronto and met with Marc Kealey and John N. Turner, the former Prime Minister of Canada and identified the need for a feasibility study on healthcare market opportunities in the City of Surprise specifically for Canadians. It was determined that Canadians might desire to receive primary medical services and rehabilitation care more readily in a welcoming geographic setting like the City of Surprise during severe winter weather months in Canada. At the same time, it was determined that “if” the services were for Canadian patients visiting Arizona provided by Canadian physicians at Canadian costs then the project would be feasible from the start. In February 2017, Mayor Wolcott announced at her State of the City address that Marc Kealey of K&A and Surprise Economic Development Director Jeanine Jerkovic would co-chair what became the Surprise-Canada Cross Border Taskforce. The Mayor’s mandate for the Taskforce was to pursue the feasibility of a Surprise-based healthcare model of Canadian standards for Canadians visiting the City of Surprise.

Since the Mayor’s February 2017 announcement, Co-Chairs, Marc Kealey and Jeanine Jerkovic have initiated strategic discussions with respective Taskforce members and other advisors keen to support the cross-border healthcare innovation concept in the City of Surprise. In August 2017, Marc Kealey visited the City of Surprise and provided City Council with an update on Canada’s progress on its side of the Taskforce. Jeanine Jerkovic from the City of Surprise also updated Council on the progress undertaken in Surprise, Arizona. Feedback was swift and effusive – Council had bought in to the initiative.

The respective Taskforces then met in Canada where the Co-Chairs held a summit in the City of Toronto in September 2017 and met with many Canadians who attended a special event to learn more about the initiative. That GTA event netted even more interest from potential investors, providers and partners. Meetings with the provincial government in Ontario netted some positive thinking for the initiative particularly how the Canadian provincially managed health system might, at some point, consider outright reimbursement for services by a particular province sought by Canadians at a facility of Canadian standards with Canadian providers in the City of Surprise.

In mid-November of 2017, the Co-chairs summoned Task Force members to the City of Surprise for a follow up Surprise-based summit. One of the highlights of this summit was the special presentation at City Council Chambers by some Taskforce members to invited guests from across the state in healthcare. The outcome of that particular session netted even more effusive support for the concept and the possibility of partnership in areas like telemedicine, global coordination of health services and information technology transfers. That session at City Council chambers was live fed across the City and has been seen in Canada as well. At the same time, members of the Taskforce were invited on a local radio talk show to talk about the project to terrific reviews.

The findings of the respective taskforce summits have been synthesized into the enclosed feasibility report for delivery to the Surprise City Council and the public by early 2018.

4. Service Models

Cross-Border Healthcare Precedent:

The idea of delivering specifically Canadian-administered healthcare services outside of Canada for Canadians within the US is novel, to say the least. However, it should be noted that *the concept of healthcare delivery across national borders* is not at all a new idea and is already in common practice in several jurisdictions around the world, including in the US military. There are a number of case studies and models that deserve further consideration:

- **EU Reciprocal Healthcare Systems:** European Cross-Border Healthcare is possible among 28 EU member states with a European Health Insurance Card (EHIC); plus, Iceland, Lichtenstein, Norway and Switzerland residents can access health and medical care during temporary visits abroad. There is no charge or processing fee to obtain the EHIC, <http://www.hse.ie/eng/services/list/1/schemes/EHIC/>. Post-Brexit, UK has committed to policies that will help sustain a degree of consideration and access to reciprocal arrangements in its EU negotiations.
- **Australian Reciprocal Healthcare:** Australia has reciprocal healthcare agreements and recognizes 11 countries which will cover the cost of medically necessary care when Australians visit certain countries and when visitors from these countries visit Australia. These countries include Belgium, Finland, Italy, Malta, the Netherlands, New Zealand, Republic of Ireland, Slovenia, Sweden and the UK. <https://www.humanservices.gov.au/individuals/services/medicare/reciprocal-health-care-agreements>
- **TRICARE Overseas Program and Department of Defense Healthcare under International Agreements:** Reciprocal healthcare agreements do exist within the US military through a system known as the TRICARE Overseas Program. This represents agreements related to personnel healthcare which are in force between the US Department of Defense (DoD) and members of North Atlantic Treaty Organization (NATO), Partnership for Peace (PFP) Status of Forces Agreements (SOFAs). The NATO/PFP SOFAs and specific country reciprocal health care agreements are international agreements that stipulate the health care that will be provided by the DoD to international military and their family members while in the United States in connection with their duties. Health care is also provided in DoD Medical Treatment Facilities (MTFs) on a reciprocal, no cost basis to students under sponsorship of the Security Assistance Program when the student is covered by a valid reciprocal health care agreement with the United States. More information: <https://tricare.mil/Plans/Eligibility/FFMandFamilies>

Granted, this feasibility report advances the idea of a pilot healthcare arrangement between the nation of Canada and a US municipality and not a formal agreement between nation states or military organizations, the point remains that healthcare delivery across borders is a logistical possibility and examples exist that can be followed. These varying models should serve as precedents for consideration as the Canadian healthcare model in the City of Surprise is explored.

As an aside, the issue of Canadian reimbursement for Canadians while in Arizona (for example) for prolonged visits will be a hot debate in Canada as the model progresses in the future. More and more Canadians aspire to travel to warmer locations during the winter months in Canada. And as baby boomers age and seek to spend more and longer time in warm weather locations

during those cold weather months, they will want to be guaranteed access to Canadian medical care during those prolonged visits away.

Healthcare is Already Happening Outside of Canada– and Will Likely Grow:

According to a 2017 report by the Fraser Institute, a Canadian Think Tank, an estimated 63,459 Canadian patients left Canada last year specifically to receive healthcare – outside of Canada. This number of patients represented an increase from 45,619 patients the year prior, 2016. Why do Canadians seek healthcare outside of their country if, as reports indicate, Canada has one of the best systems for health in the world? Objectively this could be true, but subjectively there is recognition that the system in Canada has some challenges. The greatest challenges that Canadian healthcare is faced with today include:

1. A shortage of physicians – both general practitioners and specialists (current estimates have suggested that number to be in the tens of thousands,
2. At-capacity Canadian medical schools wherein there are now over 1,500 Canadian medical students studying abroad,
3. Shortages caused by wait times and patient wait times for scheduled surgeries are on the rise. While wait times vary by procedure and by province, Canada's waitlist times are the most-cited reason for treatment sought outside of Canada by the Fraser Institute. Noteworthy in their report was that Canadian patient waits for services is the longest when compared to 11 surveyed peer countries, including the US, with an average wait of 20 weeks for services like orthopedics in Canada..

Despite current challenges, Canadian-delivered healthcare is viewed favorably by Canadians. The Canadian healthcare system is unique structurally when compared among its peer nations in that it is publically funded and privately delivered. Canada's single-payer system is mostly publicly funded, while in contrast the U.S. has a multi-payer, heavily private system. Thirteen provincial and territorial insurance plans must meet Canadian federal standards, and they are required to insure all medically necessary services as determined by the plans in consultation with physician groups. The country's system is balanced by a Canada Health Act that is over 50 years old and some suggest lacks regulatory modernizations such as is being proposed through an innovative concept like cross border health services.

Healthcare Delivery to Canadians Outside of Canada in the USA:

While current methods of healthcare delivery to Canadians outside of Canada exist, none are flawless from an administrative perspective and all have potential to cost the Canadian system and its citizens much more than a Canadian-standard program hypothetically would.

When Canadians receive healthcare or medical services in the United States, it is generally reimbursed through three very specific methods: (1) through medical travel insurance purchased by the travelling Canadian, (2) out-of-pocket or fee-for -service to a medical provider, usually at US rates which are higher than in Canada and, (3) emergency services whereby either out-of-pocket expenses become necessary by the visiting Canadian or by medical evacuation via air or ground or rapid transit organized at great expense to the Canadian taxpayer. Provincial governments generally pay only a small amount of an emergency healthcare service outside of that provincial jurisdiction, if at all.

Medical travel insurance for Canadian travelers to the US is highly recommended, but every travel policy has limitations and conditions that can end up creating unexpected expenses when they kick in if the patient requires health service in that US destination. Many Canadian travelers

also have existing coverage through their own pension benefits plan or existing group plan. These plans are typically limited and only offer 15-60 days of coverage, whereas many snowbirds can travel outside of Canada from 3 to 6 months each year.

One of the least innovative options that Canadians seek when travelling to the USA during cold weather months is the purchase of a one-way airline ticket. This option appears to be used more and more as older Canadian travelers spend longer times away during cold weather months and face risks of a health issue. Instead of risking higher costs for insurance premiums or paying out-of-pocket at US health facilities, they will risk flying home on a moment's notice to get healthcare under the Canadian system in their province. The model under consideration herein proposes to be available to Canadians with Canadian providers and under a scheme that, when in operation, operates as if it were a Canadian health facility.

5. Evaluation Criteria

Over the last year, a rigorous discussion and analysis was conducted to determine the cost-benefit effectiveness of the Canadian healthcare concept, looking at potential pathways for the idea against the economic practicality, social desirability and overall business soundness of the concept. The Canada-Surprise Cross-Border Healthcare Taskforces determined five criteria for evaluation to provide a confident feasibility analysis and recommendation for a Canadian pilot healthcare project in Arizona. These five evaluation subjects include:

1. **Market Analysis:**
 - A. The Medical Travel Sector
 - B. Canadian visitor volume quality and quantity to Arizona
 - C. Associated Canadian healthcare trends
 - D. Surprise Economic Development Healthcare Survey of Canadian Visitors to Arizona
2. **Surprise, Arizona as a Willing, Viable Host for the Project – or “Why Surprise?”**
3. **Healthcare Infrastructure for Canadians**
4. **Role of the First Nations**
5. **The Medical Offering**

The sections to follow will address these five criteria and determine potential gaps outstanding as well as solutions, recommendations and next steps.

6. Market Analysis

A. The Medical Travel Sector

The medical travel sector itself is a global sleeping giant; in a 2016 subject-matter report issued by VISA and Oxford Economics, the medical tourism industry was valued at \$100 Billion and is poised for 25% year-over-year growth by 2025. By 2025, travelers over the age of 65 will more than double their international travel to 180 million trips (1/8 globally); further, the expansion of the middle class worldwide and the greater affordability of international travel will be driving forces as well. The world's population is aging, and the over-65 segment is the one expected to travel the most, and many will travel for health reasons.

The US is the single-largest medical travel destination today, as medical tourists mostly seek high quality services when away from home for prolonged periods of time, meaning anything from lower wait times to cutting-edge innovative treatments, care that is combined with attractive

destinations, and treatments and medications not approved or available in a home country. The US is considered among the safest and at the forefront for healthcare services.

Under this particular concept we aim to marry the ideal of medical travel/tourism with the option of seeking a health intervention such as a scheduled surgery and subsequent follow up rehabilitation (in orthopedics for example) under the Canadian health reimbursement scheme.

B. Canadian visitor volume quality and quantity to Arizona

Understanding the Canadian visitor volume to the US and to Arizona is a crucial element of assessing the feasibility of a Canadian standards healthcare service facility in the market. In 2016, 878,647 Canadians visited Arizona. Although this number represents a drop from the previous year's record number of 928,051 visitors, it is none the less significant. Canadians represented approximately 16% of international visitors to Arizona, second only to visits from Mexican nationals (Source: Tourism Economics).

The US is the most-visited international destination in the world for Canadians by far. Almost 20 million Canadians visited the US in 2016. This number is staggering given that Canada is a country with a population of 35.4 million. Proximity to warm weather destinations, ease of access and shorter travel times are the common reasons millions of Canadians cross the border into the USA. Arizona ranked the eighth most-visited US state after Hawaii for Canadians in 2016, according to Statistics Canada. Florida remains the top-most-visited state by Canadians; however the number of Canadian visitors to Florida from 2013 (4.1 million), to 2016 at 3.3 million showed a drop of nearly 25%. In 2017, the organization *Visit Florida* cited the weak Canadian dollar, hurricane damage and US political rhetoric as the top reasons for the dramatic drop (<https://skift.com/2017/11/06/visit-florida-faces-uphill-fight-to-woo-back-canadians/>).

Canadian visits to Arizona vary by province (source: Statistics Canada 2016):

- Alberta: 33%
- British Columbia: 23%
- Ontario: 21%
- Quebec: 13%
- Saskatchewan: 6%
- New Brunswick: 6%
- Manitoba: 3%

Canadians tend to visit Arizona for an average of 17 nights, travel in party size of 1.9 on average, mainly adults over the age of 45 with no kids accompanying, and they spend about \$1,218 (USD) per trip. It's noteworthy that 69% visit the State via air travel, while approximately 27% travel to the State by automobile. Of particular interest, 437,888 Canadian visitors took advantage of the availability of direct flights to Arizona from major hubs in Canada.

The majority of visitors (67%) cited their reason for coming to Arizona for a holiday, leisure or recreation, while 9% said they were visiting friends or relatives, another 6% cited attending a conference or convention or trade show while another 6% cited a meetings, sales or a service calls as their reason for coming to the State. Of particular interest was that 2% of visitors suggested the reason for their visit was for medical or health reasons. State visitation numbers by Canadians in 2016 identified approximately **17,500 health or medical visits to Arizona** (Source: Statistics Canada 2016).

Canadian Visa Card spending ranked number one in 2016 with 43% of total international travel spending in Arizona; 75% of Visa Card spending in Arizona was in the Greater Phoenix market. Another 3% of Visa Card spending in Arizona by Canadians by Merchant Category was specifically directed at healthcare, with 1% spent at drug stores and pharmacies (Source: https://tourism.az.gov/sites/default/files/canada-report_July%202017.pdf). Conservatively estimating a 3% spend towards healthcare in Arizona by Canadians when the estimated annual spending in Arizona is \$1.4 billion, this equates to an **estimated existing \$42 million each year in healthcare expenditures by Canadians in Arizona each year.**

There is a common stereotype that Canadian visitors who choose to seek healthcare outside of Canada are in the wealthiest cohort in Canada. Described as able to pay out of pocket for expensive medical services and products in the US and participate in high-end “concierge” elective procedures, such as plastic surgery, is the common thinking among many in Canada when considering who goes to places like Arizona in cold weather months in Canada. It’s noteworthy too that nothing could be further from the truth when it comes to those who actually come to Arizona for their healthcare from Canada.

There is ample evidence that many Canadians drive by automobile to Arizona and stay with friends or relatives or even take motor homes and/or camp (it’s estimated that 10% of Canadians who come to Arizona camp). While some Canadian visitors certainly own Arizona residences, many more (it’s estimated at close to 20%) stay with friends or relatives when they visit, and many more stay at hotels (19%) or motel (8%) lodging, or a combination of accommodations. In other words, Canadians come, they spend money, but they budget their travel dollars.

There is significant data representing that most visitors to Arizona from Canada actually fit into the category of indexed pensioners – this cohort more than any other. Approximately 65% of visitors from Canada to Arizona are over the age of 45. Nearly half, or approximately 45%, of visitors from Canada to Arizona are over the age of 55, with the largest group of visitors represented between the ages of 55 and 65.

The Fraser Institute, in its recently released report, suggested that medical procedures sought outside of Canada (particularly in the USA) further dispel the myth that it is the purview of the glamorously wealthy out-of-pocket Canadian medical traveler. Cosmetic surgeries were in fact the lowest reported category for medical travel, while the highest percentage of Canadians seeking health services included general surgeries, urology, internal medicine, ophthalmology, and orthopedic surgery. (Source: The Fraser Institute)

C. Associated Canadian healthcare trends

Health and Healthcare for the Aging Population of Canada: Advantages in Surprise

The over-65 population of Canada is expected to reach about 25% of the overall Canadian population in less than 20 years. According to the Public Health Agency of Canada; currently, Canadians over 65 years of age consume approximately 44% of provincial and territorial healthcare budgets, and demands on the healthcare system are expected to increase as Canada’s population ages and baby-boomers start to retire in large cohorts.

In a recent Canadian Census report published in 2016, it noted that Canadian seniors over the age of 65 outnumbered Canadian children 14 years of age and under for the first time. Canadian Census figures reported that there are 5.9 million Canadians over 65 compared to 5.8 million under 14. The number represented a 20% increase since 2011 and a greater increase than the 5% population growth as a whole. The median age of the Canadian population increased to 41.2 years, six months older than the median age five years prior. This is largely

attributed to the “baby-boomer” population turning 65 over the last five years as well as growing life expectancy rates and lower fertility rates among Canadians. The imbalance is expected to grow in the coming years, with Atlantic Canada (the provinces of New Brunswick, Nova Scotia, Newfoundland and Labrador and PEI) having the highest proportion of seniors in the country at 20%. The province of Alberta has the lowest proportion of seniors, at 12%. The Census also found that women are outnumbering men in Canada and that the ratio of women would increase with age in coming years.

Against this backdrop, promoting “Healthy Aging” initiatives in Canada is cited as a top opportunity to optimize the physical, social and mental healthcare of seniors. It is recommended that such initiatives focus on *physical activity, injury prevention, nutrition and mental health*.

The Canadian Medical Association (CMA) recommended in its recent report on aging in Canada that “Governments at all levels (should) support programs to promote physical activity, nutrition, injury prevention and mental health among older Canadians.” (Source: https://www.cma.ca/Assets/assets-library/document/en/advocacy/policy-research/CMA_Policy_Health_and_Health_Care_for_an_Aging-Population_PD14-03-e.pdf)

A coordinated program for travelling seniors from Canada to Arizona and based in the City of Surprise could immediately address all of these recommendations, if supported and promoted in Canada as an option for Canadian travelers seeking medical services when visiting the City of Surprise for prolonged periods of time:

- (1) Physical Activity – *The City of Surprise as a proponent of this/ recreation center / affiliated therapy / associated hiking, biking, tennis, and other outdoor recreation for Canadian seniors during cold weather months.*
- (2) Injury Prevention – *Cold weather in Canada accounts for many injuries to seniors via slips and falls on icy surfaces or uncleared pathways. If patients from Canada are seeking an injury free environment when undergoing rehabilitation, for example, it makes sense to rehabilitate in an environment where the rehabilitating patient can be outdoors in warm weather places like Surprise, Arizona – especially during cold weather months in Canada.*
- (3) Nutrition – *The model under consideration contemplates a setting where social experience during rehabilitation has been proven to increase better eating habits for seniors in a warm weather setting like Surprise Arizona when the weather is cold in Canada and seniors (as patients) are virtually shut indoors because it’s too cold or unsafe to venture outside.*
- (4) Mental Health – *It is widely agreed that prolonged exposure to sunshine has a positive effect on human health. Studies have shown those cold weather months in countries like Canada, where the sun shines for less than 10 hours a day, have an impact of people – Seasonal Affective Disorder Syndrome (SADS) is prevalent in Canada. The model under consideration proposes better social experiences for Canadians seeking relief from SADS while in the City of Surprise.*

D. Surprise Economic Development Healthcare Survey of Canadian Visitors to Arizona

The Canada-Surprise Cross-Border Healthcare Taskforce determined that while strong secondary data existed with respect to the potential size of the Canadian Medical Travel market in Arizona, it was important to examine the subject matter even closer to better understand the healthcare behaviors and demands of the existing Canadian visitor market to help validate

assumptions. For this reason, from December 13, 2017 through January 19, 2018, the City of Surprise Economic Development Department opened up an online survey to Canadian visitors to Arizona to identify more information about the general medical travel behaviors, demand for medical travel services and appetite for future services in the City of Surprise.

The survey was designed and approved by the Taskforce and then distributed via two primary means: (1) postcards to more than 1,200 households in the City of Surprise that were verified by the organization Maricopa Association of Governments to be owned by Canadian residents or citizens; (2) electronic outreach via a City of Surprise press release, social media, local homeowners associations, and through the Canada Arizona Business Council. As a survey incentive, the Surprise Economic Development Department offered the chance to win tickets to a baseball game at the Surprise Spring Training Stadium.

When the survey closed on January 19, 2018, 657 responses were received. Eight basic questions, some with multiple follow-ons, were asked of the survey respondents:

1. Tell us about yourself:

- a. Name?
- b. Which Canadian province or territory is home?
- c. Are you a Canadian citizen?
- d. Your age range?
- e. What type of Arizona visitor would you consider yourself to be (potential, infrequent, occasional, somewhat frequent, very frequent, or almost-resident)?

- 2. In the last ten years or less, have you ever contemplated leaving Canada or left Canada with a *primary goal* of scheduling healthcare or specialty medical services of any kind?**
- 3. In the last ten years or less, have you ever received healthcare services or treatments or medical prescriptions of any kind (including dental, emergency and non-emergency) outside of Canada?** If yes, check all that apply (optional): Radiation or Medical Oncology; Orthopedic-related Surgery (hip, knee, shoulder, etc.); Eye Surgery; Ear/Nose/Throat; Urology; Plastic Surgery; Neuro Surgery; Dental Services or Surgery; Other; or Prefer not to say.
- 4. In which locations outside of Canada (if any) have you received healthcare or speciality medical services** (check all that apply): Arizona specifically, USA, Mexico, South America, Asia, Europe, Not applicable (only in Canada), or Other? If other, please describe?
- 5. If you have received services outside of Canada for medical purposes, how have you paid for services** (check all that apply)? With travel insurance; Out-of-pocket with cash; Nothing due to an emergency; Other (please describe); Not applicable.
- 6. If you had the option of accessing a fully reimburseable Canadian standard of healthcare or medical services from your Provincial health insurance plan during your visits to Arizona and receive optimally available services, would that be of interest to you?**
- 7. Other than healthcare, what other services would be appealing to you in Arizona as a Canadian that are not currently being provided?** Select all that apply: Canadian-focused recreation, sports or entertainment; Canadian retail amenities (shops or dining); Canadian-focused short-term living or hotel amenities; Other (please describe).
- 8. Would you be willing to be contacted for a focus group in the City of Surprise for a more in-depth conversation about medical services desired in Arizona?** If so, provide your contact information.

Summary of Survey Findings:

In general alignment with tourism visitation data reported from Canada to Arizona, two-thirds of the survey respondents, or 74%, called Western Canada home: 46% were from Alberta, 28% from British Columbia. 17% of the respondents were from Eastern Canada, with 15% representing the Ontario Province. 98% of respondents said they were Canadian citizens. Astonishingly, nearly all (94% or 476 of the 505 responses to this question) were over the age of 55 years old, with 64% reporting that they were over 65 years old. Only about 5% were under 55 years old, with 1% preferring not to say. Only one response was received from someone under 30. The volume of responses by those over the age of 55 and 65 may likely be attributed to the high interest in the topic by the cohort, which tends to utilize and consequently spend more for healthcare (source: Canadian Medical Association “The State of Seniors Health Care in Canada” September 2016). Also, most of the respondents were either *very frequent visitors* to Arizona (68%) who come for weeks or months each year or self-identified *expats* who consider Arizona a home-away-from-home (24%).

In the last ten years or less, while 80% of the respondents had never left or even contemplated leaving Canada with a *primary goal* of receiving healthcare or a specialty medical service, 74% indeed *had received healthcare* of some type outside of Canada. While a 61% majority of respondents had received a service in the “other” undescribed category or preferred not to say what service they received, 47.6% said that they had received dental-related services or surgery, and others reported urology (8%), orthopedics (6.2%), ear-nose-throat (5.3%), radiation or medical oncology (4.1%) or cardio-related surgery (2.4%). Canadian healthcare recipients outside of Canada had mainly either received these services in Arizona specifically (58%) or in Mexico (14%) or the USA in general (13%), with 26% stating that they had only received healthcare in Canada thus far.

As far as payment for services, 53% was done out-of-pocket with cash, 45.6% was covered by travel insurance, with a few (3.2%) in the “other” category. However, given the option of accessing reimbursable Canadian healthcare during visits to Arizona, 97% of respondents said they would be interested.

The City of Surprise Economic Development Department was also curious to know how to best serve Canadian healthcare seekers from an amenity perspective, asking the question as to which Canadian-focused services, beyond healthcare, would be most appealing to respondents. These included Canadian-focused recreation, sports or entertainment; Canadian retail amenities; Canadian-focused short-term-living or hotel amenities; or “Other.” 35% wanted more Canadian recreation/sports/entertainment, 23% said more Canadian retail amenities, and 19.5% said more short-term living or hotels focused on the Canadian market. 172 people responded with “other,” and the write-in comments were rather in favor of a non-Canadian amenity focus. The comments asked the City of Surprise to mainly focus on healthcare and to consider that they come to Arizona to enjoy the culture and amenities of Arizona. Here are a few write-in comments pulled from the question, “Other than healthcare, what other services would be appealing to you in Arizona as a Canadian that are not currently being provided?”:

“We don’t want things “Canadian focused” because we LOVE Arizona; the people (friends), restaurants, recreation, etc. So much for us to see and do, to say nothing of the weather.”

“None. I come to Arizona to play golf during the winter months.”

“I enjoy visiting Arizona; I don’t feel I need Canadian content in my stay here.”

“Happy to share the sun with others...no other needs.”

“None. I get enough Canada while in Canada. I come to Arizona to be in Arizona.”

“I really love Arizona and do not need Canadian services other than healthcare.”

A few other write-in comments requested help with staying longer in Arizona legally, finding a job in Arizona and immigration. On the other hand, one response suggested a Tim Horton’s coffee shop, which the Surprise Economic Development Department would be highly interested in welcoming to the City of Surprise given the brand’s quality and popularity in Canada and in other areas of the USA.

The write-in responses suggest that while added Canadian-friendly amenities are possibly attractive to a Canadian healthcare initiative, there may be more of an appeal to make the ancillary amenities reflective of the local character of Arizona versus creating a Canadian culture bubble, so-to-speak. This concept deserves further exploration by the City of Surprise Economic Development Department, which aims to ensure that Canadian visitors and businesses have a unique, welcoming experience when they visit the growing Arizona community.

180 respondents agreed to be contacted for a focus group for a more in-depth conversation about healthcare services, which could be explored in the next phase of the feasibility.

Conclusions:

- Arizona remains a popular travel destination for Canadians across Canada. Estimates indicate an increase in numbers of visitors to Arizona as tourism and travel patterns for seniors (for example) are changing. These shifts have the potential to divert travelers to Arizona from Florida and other Caribbean destinations due to unpredictable weather conditions and other safety concerns.
- The existing Arizona healthcare market for Canadians seeking care in the State represents 17,500 patients and \$42 million (USD) annually without any proactive medical travel marketing.
- Even a modest increase and a dedicated initiative to serve Canadians with healthcare in Arizona has the potential to create a health business model for the City of Surprise to support and cultivate the partnership with K&A. Consider that even a 1% increase in the existing medical travel population to Arizona would represent 8,780 more Canadians who would seek to access healthcare in the City of Surprise each year – a total of 26,280 medical travelers. At a modest 1% growth in the existing healthcare spend by Canadians in Arizona could equate to a \$14 million annual boost – a total healthcare \$56 million spend in the State of Arizona.
- As a numerical comparison for scale, gross patient revenue in Arizona over 73 hospitals was \$65.8 million last year, and each hospital saw on average 8,453 patients, according to the American Hospital Directory (https://www.ahd.com/state_statistics.html).
- As the number of Canadians age over the next several decades and choose to travel to warm weather destinations during cold weather months in Canada, the healthcare market potential will increase. Further and given the age and gender dynamics of the travelling healthcare seeking Canadian cohort profile, female-friendly and age-restricted market elements should be considered.

- The current cohort of mostly Western Canadian, extended-stay visitors to Arizona who responded to the City of Surprise survey are already receiving healthcare outside of Canada, and making it easier to access Canadian healthcare in Arizona and receive reimbursement from their respective Provinces would be of interest to them by a factor of 97% approval.
- In harmony with the Canadian healthcare project, the Surprise Economic Development Department is seeking ways to enhance its tourism and development opportunities through some measure of medical travel aimed at the growing cohort of Canadians seeking to come to the City of Surprise. Given the existing visitor profile of Canadians visiting Arizona, the development of a medical travel development model in the City of Surprise that also (1) caters to adults over 45 (2) allows for extended stay lodging, (3) coordinates with Canada-Arizona direct-flight carriers and (4) has associated retail, physical activity and interactive social options represents a strong baseline. However, survey respondents cautioned the community to consider that they enjoy Arizona experiences and to not worry extensively about creating Canadian content in future amenity and development attraction.

7. Surprise, Arizona Host Community - Viability

The City of Surprise is not only a willing host to support a first-of-its kind Canadian healthcare pilot project of this nature; it is well equipped to do so as well. There is practical evidence that the City of Surprise is the ideal US community to pilot a Canadian healthcare service facility for Canadians and is ready to set the standard for the new model of cross-border healthcare in North America. The Taskforce have identified six key reasons that the City of Surprise is the optimal and uniquely situated community for this pilot project: presence, proximity, prominence, projections, permanency, and principles.

(1) Presence of Canadians:

It is commonly said that Arizona becomes its own remote, southern Canadian province for the fall and winter months of each year, when upwards of 900,000 Canadians visit the state. Located within the highest economic and population concentration in Arizona - Maricopa County – the City of Surprise is already a home-away-from-home for thousands of Canadian residents and visitors. The City of Surprise is one of a few highly concentrated clusters of Canadian homeownership in Maricopa County largely due to real estate affordability, growth of existing and new, attractive amenities, set against a remarkable country side - the White Tank Mountains and green desert landscape. As a new community that has grown from 7,000 in 1990 to 135,000 today, nearly everyone in the City of Surprise is from somewhere other than the city, and for this reason, Canadians find themselves extraordinarily welcome and have fit in nicely.

As real estate is concerned, approximately 1,200 homes in Surprise are owned by Canadians, according to Maricopa Association of Governments, there are upwards of 20,000 verified Canadian homeowners.

The City of Surprise is a major tourism destination and is one of 21 cities in Arizona and Florida that hosts Major League Baseball Spring Training – a common attraction for “snowbirds” from Canada. The City of Surprise is home to the MLB’s Kansas City Royals and the Texas Rangers – both teams are attractive to Canadian baseball fans and Spring training (or the Cactus League as it is called) during the March season brings an estimated 200,000 people annually – many from Canada.

(2) Proximity to Healthcare Excellence:

Surprise is accessible to an entire regional population and several healthcare centers of excellence. Surprise offers this project close proximity to healthcare centers of excellence in Arizona without any expectations for exclusivity or conformance to established models.

The Greater Phoenix region where Surprise is located is also one of the most powerful centers of healthcare excellence in the nation. Regionally, moreover, tremendous healthcare infrastructure has grown including: Barrow Neurological Institute, Mayo Clinic, Phoenix Children's Hospital, Cancer Treatment Centers of America that provide comprehensive care for the growing population throughout Maricopa County. Healthcare centers in the City of Surprise have emerged in recent years including: Cobalt Rehabilitation, Mainstreet Rehabilitation, and Destiny Springs Behavioral Hospital among others.

(3) Prominence of Canadian Focus:

Many communities in Arizona and in the Greater Phoenix region choose to focus on a variety of domestic US markets in their economic development endeavors; many overlook Canada altogether, and those who do focus on Canada tend to focus on Western Canada. The City of Surprise is a community that has a dedicated Canadian-focused economic development strategy; no other community is as committed to pursuing relationships on the same scale or level with Canada, particularly in the Greater Toronto Area.

As a result of this new medical travel strategy focused on providing healthcare services to the Canadian market, the City of Surprise is working to identify appealing retail growth opportunities from Canada for expansion into the City of Surprise while maintaining a quality local character, which is also appealing to visitors.

The City of Surprise is actively promoting business programs to Canadian companies who desire to expand their business into the US Southwest without the massive costs associated with such a move. Through the City of Surprise Global Concierge program, any non-US company looking to grow can choose to work with the City of Surprise to locate in temporary office space at the City's business incubator, the AZ TechCelerator. This option provides free rent at the AZ TechCelerator for up to one year. The success of the program has been noticed throughout the State and the City has been recognized accordingly.

(4) Projections for Growth:

If affordable quality home growth is a primary driver of Canadian residential investment in Arizona, the City of Surprise is well-positioned for more Canadian homeownership. Growth projections in and for the City of Surprise over the next 5, 15 and 30 years ahead are trending above US cities nationally and will accommodate additional Canadian residents seeking to buy property and visitors seeking to visit the community. These growth estimates will allow the City of Surprise to more than double in population comfortably. According to a recent study completed in August 2017 by Applied Economics, the City of Surprise is projected to add 8,500 new housing units in only the coming five years, adding 40,000 units in 15 years. This housing growth will open up opportunities for a number of new and existing residents and visitors to make Surprise their landing spot in Arizona. Surprise is one of the fastest growing communities in the nation and is the 5th fastest growing city in the USA (source: WalletHub 2015).

Further, the City of Surprise business incubator the AZ TechCelerator is dedicated to helping non-US companies expand into the US market with minimal cost. The City of Surprise aspires to cater to Canadian entrepreneurs and business visitors who may come for healthcare and stay

for the business-friendly environment. By increasing both the number of residents and visitors through the healthcare initiative, the community desires to add even more retail services and jobs, which contribute to the strength of the City of Surprise General Fund.

(5) Permanency of Rehabilitation Climate:

Rehabilitation is an important dynamic in healthcare. In Canada there are areas of rehabilitation recognized in its healthcare system. They are: neuromuscular medicine, pain medicine, pediatric and adult rehabilitation medicine, spinal cord injury, sports medicine, brain injury, hospice and palliative medicine.

Rehabilitation focuses on helping patients recover from injury or surgery to regain their physical abilities and independence. The City of Surprise is an ideal location for rehabilitation. As part of our feasibility study, we looked at the propensity for Canadian patients to want to come to Arizona for their rehabilitation. Consider what happens *if and when* a Canadian patient, for example, would undergo a full hip or a knee replacement in November in Canada and what would await that patient living in any city faced with the prospect of cold weather, slippery walkways and all the hazards associated with that climate. Then consider what it would do to and for that patient *if* they could rehabilitate at a facility in the City of Surprise with Canadian providers reimbursed at Canadian prices for the service(s) they would require to heal and recover appropriately and regain their physical abilities and independence.

Consider too that the City of Surprise is home to extraordinary sports and recreation facilities opening a whole host of opportunities for Canadians seeking to take advantage of the warm weather climate and the proximity to Canada especially when it's cold from the months of November to April.

(6) Principles:

The City has made excellence in Innovation, education, health and wellness a huge part of the community's aspirations and values. To that end, the City of Surprise hopes to impress on visitors and those who reside in the community for prolonged periods of time when it's cold back home, that it will not waiver from its principles when it comes to making the experience for Canadians better when they are in the City of Surprise for healthcare services.

Speaking to the City's principles, Surprise has recently partnered with a Kansas-based college called Ottawa University to create a residential university in the community, and it was the aligned principles between the university and City that made the partnership a success. One of these principles appreciated by the City of Surprise was Ottawa University's unwavering commitment to the Ottawa Indian tribe, which was appealing from a character and humanitarian perspective. Founded in 1865, Ottawa University "has endeavored to educate its students, many from underserved student populations, for lifetimes of enlightened faith, exemplary service, inspired leadership, and personal significance." (Source: <https://www.ottawa.edu/about-us/history-and-heritage>) Ottawa University's beginnings are attributed to the establishment of a charter between the college founders, who were Baptist missionaries, and the Ottawa tribe. The university's relationship with the Ottawa tribe remains intact today. In October 2008, current Ottawa President & CEO Kevin Eichner signed a new agreement with Ottawa Chief John Ballard, refreshing the university's commitment that any certified member of the Ottawa tribe may attend the college free of tuition, board and room charges or adult or online programs tuition-free. This new agreement was unanimously endorsed by the University's Board of Trustees and the Ottawa Tribal Council and is to be preserved "in perpetuity."

8. Healthcare Infrastructure Analysis

In our study of the potential model and its feasibility, we took into account the expectations of Canadians for healthcare while they were away from home for prolonged periods of time. Canadians travel to warm weather cities in the USA every year because the fall and winter weather is better in southern USA States than it is back in Canada.

One of the common refrains from Canadians spending prolonged periods of time in southern USA cities to escape the cold in Canada is, “Why can’t my health system follow me?” There are a number of practical considerations to take into account with a variety of potential healthcare infrastructure scenarios, but like many successes new startups or initiatives, they require the three “P’s”: **people, process and product**.

- **Product: Targeted specialty healthcare services** rolled out in the first few phases and the long-term growth anticipated to be the areas representing the highest waitlist time impact in Canada and the most beneficial from a rehabilitation climate perspective in the City of Surprise. This will determine many elements of the project, from services to size and type of building constructed. A future feasibility will consider elements such as whether to build a surgery center versus a hospital, and this will depend upon patient stay timing. This will also drive the budget, as facility costs and licensing requirements for each type facility are different.
- **People: Delivering a Canadian standard of care** will require the active engagement of talented Canadian physicians who are able to practice medicine in Arizona. In order to qualify a Canadian physician to practice in Arizona, the Arizona Medical Board would review any applications for Canadian physicians applying to practice. Canadian graduates, like US graduates, must have at least one year of training in an approved program. All foreign medical graduates must have a minimum three years of accredited training in either the US or Canada in addition to completing required certifications and exams. In Canada, physicians receive payment per procedure, and thus the process and incentive for Canadian physicians to participate in this project should be carefully outlined.
- **Process: The process of deploying patients to receive healthcare and rehabilitation services in Arizona from Canada** will require a number of important steps to ensure the safety of patients to be cleared to travel for care and to ensure a continuum of care upon their return to Canada. This will require a formalized means of interaction with Canadian doctors in Arizona and the provincial reimbursement system, in addition to supportive in-Canada doctors and healthcare providers who might refer a patient for a scheduled service.

There is ample evidence that the market area in which Surprise is located offers no shortage of partners, talent or expertise specializing in delivering a high quality of healthcare services. The Greater Phoenix healthcare and biomedical market is comprised of nearly 9,400 enterprises that support more than 221,500 jobs. These enterprises deliver better health outcomes through their innovation and collaboration — making Greater Phoenix an emerging leader in healthcare. Greater Phoenix is regionally competitive and a national leader in the healthcare and biomedical industries. The region is a premier treatment destination and has attracted \$7.25 billion in strategic investments, including government grants, since 2009 in its emerging healthcare enterprise and research capabilities (Source: the Greater Phoenix Economic Council, www.gpec.org).

9. Role of First Nations

The role of First Nations is an important consideration as both Canada and the US aim to collaborate more with the First Nations on a variety of initiatives including healthcare and education. This facility under consideration contemplates a service offering, robust educational and research-based opportunity for First Nation patients and providers.

In light of serious and recent service healthcare delivery gaps assessed among Canada's First Nations, also known as Native Americans or American Indians according to US nomenclature, increasingly more First Nations people are seeking autonomy and practical community-based solutions with respect to healthcare, and for good reason:

- The First Nations people overall suffer from higher rates of chronic diseases such as diabetes, tuberculosis and rickets in addition to higher infant mortality rates and shorter life spans – as much as five to seven years compared to non-indigenous Canadians.
- First Nations adults are more than twice as likely to die from avoidable causes, such as diabetes, lung cancer, accidental injuries, drugs and alcohol related causes and suicide. (Source: August 2015 Statistics Canada study, “Avoidable mortality among First Nations adults in Canada: A cohort analysis.”).
- In January 2016, the Canadian Human Rights Tribunal ruled that First Nation children had been discriminated against by underfunding on-reserve child welfare services and failing to place the needs of First Nations children ahead of jurisdictional disputes between governments. When the ruling occurred, Health Canada's data showed a map in healthcare services delivered to on-reserve First Nations children compared to the availability of services provincially.

The Government of Canada is actively working towards funding First Nation child welfare services and considering other appropriate methods to bridge and repair recent healthcare missteps with the First Nations. A proposed cross-border healthcare service in Surprise could be another resource for addressing the healthcare gap with Canada's First Nations.

In support of the idea that First Nations could potentially – and very readily - take advantage of a Surprise-based Canadian healthcare facility is the existing capabilities of First Nations to traverse the US-Canada border. First Nations people of Canadian and US origin alike may travel freely across the US-Canada international boundary; further First Nations of Canadian birth are entitled to enter the US freely for the purpose of employment, study, retirement, investing, or immigration (source: US Embassy and Consulates in Canada: <https://ca.usembassy.gov/visas/first-nations-and-native-americans/>). This could be leveraged to increase levels of medical services offered to First Nations and assist the Canadian Government achieve its improved service goals.

The City of Surprise's new partnership with Ottawa University, operational since February 2017, provides a tremendous opportunity for an alliance for the cross-border healthcare project from a number of perspectives, but most importantly that it is an institution with a benchmarked track record of maintaining and supporting a relationship with the Ottawa tribe.

10. Medical Offering

If the Market Analysis and the trending demographic information detailed in this report is overlaid with key data about aspects of Canadian healthcare most impacted by wait times and rehabilitation, it is logical to examine knee and hip surgery, or orthopedics, and eye surgery, or ophthalmics, as two potential starting points of the proposed Canadian Cross-Border Healthcare Medical Offering.

Geriatric-focused medicine is an important market for the proposed medical offering given the prevalent demographic evidence of interest in expedient specialty services provided. Further, adding care capabilities in Arizona for this cohort will aim to address timely access for care to Canadian seniors, which are often high-risk patients at risk for complicating factors and chronic diseases.

In future feasibility phases, the project should potentially examine aspirational medical offerings that also align with market trends and waitlist times and help drive an even bigger patient audience. An example of this might be the illustration outlined in the “Role of First Nations” section in this report and growing the model to serve a Canadian cohort experiencing a dramatic and well-documented gap in healthcare services.

The process of care delivery from Canada to Arizona - and back - will of course vary patient to patient, and often it will be driven by the medical offering. Taskforce members Rhonda Anderson and Cheryl Aisporna developed case study considerations for this report on knee and hip surgery and eye surgery, as outlined in Appendix C of this document. These are two examples of procedures that are increasing in need because of the aging Canadian population.

11. Recommendations

The Taskforce is satisfied with the findings through the process it undertook and bases its recommendations and considerations noted herein on the above, but not limited to those above. It should be noted, too, that although the Taskforce agrees that the concept is feasible, the project must still undergo scrutiny from formal business planning, costing and approvals from regulatory authorities.

1. Based on Canadian data and research, there are sufficient wait times in Canada – specifically in orthopedics – full or partial joint – where the average wait is between 7 and 18 months;
2. There is sufficient patient volume from seasonal Canadian visitors and residents to warrant specific Canadian based health care services for Canadians visiting the City of Surprise and therefore located in the City of Surprise;
3. The Canadian healthcare system does not support nor reimburse patients for seeking healthcare (such as being proposed through this concept) outside of Canada. It is recommended that a full scale effort to seek reimbursement be undertaken in Canada for the future of the project and to encourage more Canadians (patients and providers) to utilize its services in Arizona;
4. The facility should also consider long-term health stays for patients from Canada during cold weather months requiring accommodation and personal support from qualified providers;

5. The facility should conduct outreach to the China market and assess the feasibility of attracting “travelling Chinese” to the City of Surprise for protracted periods of time offering Canadian based healthcare services;
6. There is adequate new build property in the City of Surprise to accommodate a new build health facility with a unique offering of Canadian health standards and design for Canadians and other fee-paying patients;
7. Reimbursement for services will be at uniquely Canadian rates, which is designed specifically to attract physicians and other healthcare providers from Canada to come to Surprise for practice opportunity;
8. The proposed facility must work closely with Arizona State medical authorities for licensure of Canadian physicians to practice in the State;
9. The facility will coordinate with other health facilities in the area for service offering(s) that may not be available to Canadians at the proposed facility;
10. The City of Surprise Canadian standards based facility will be the model for other such projects in other jurisdictions under consideration – like Mexico and China;
11. The facility will engender a relationship with First Nations for delivery of healthcare to Canadian standards, education, research and other activities to be developed;
12. The facility will collaborate with Ottawa University for education and research opportunities;
13. The facility will become a co-op facility for those in health studies and those seeking to upgrade their skills in healthcare, management etc.;
14. The facility will coordinate with Canadian International Medical Graduates (IMG's) for deployment at the facility and offer locums for physicians from Canada seeking respite from their practice in Canada;
15. The facility will act as an exchange facility for other visiting providers when the model becomes replicated in other jurisdictions.

12. Appendix A: Surprise-Canada Cross-Border Healthcare Survey Results

Report for Canada-Arizona Healthcare Survey from Surprise

Response Counts

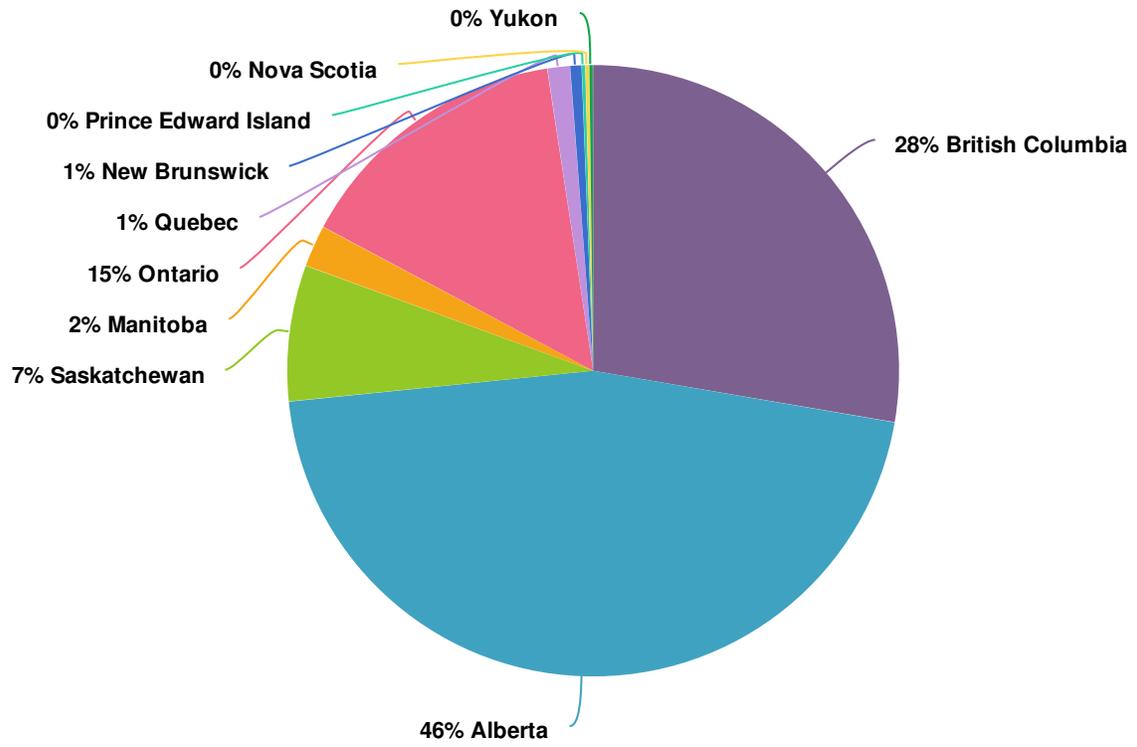


Totals: 657

1. Name



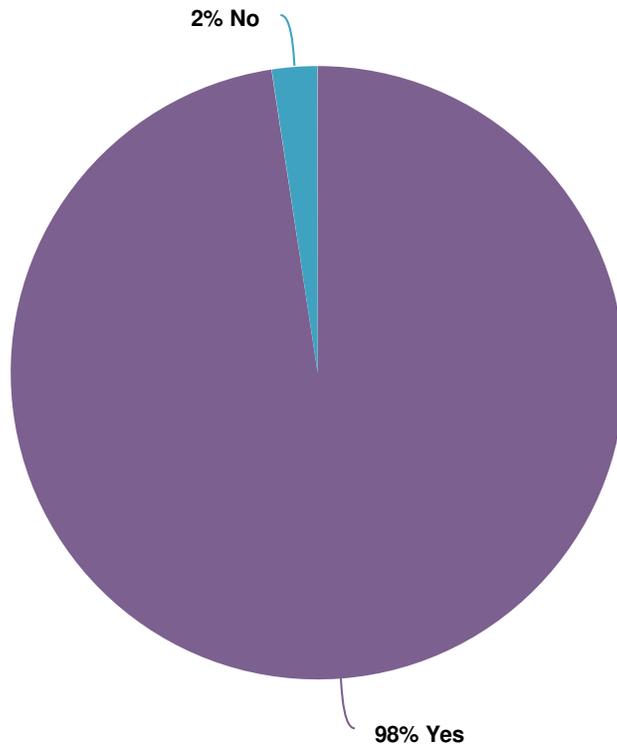
2. Which Canadian province or territory is home?

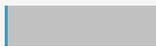


Value		Percent	Responses
British Columbia		27.7%	138
Alberta		45.7%	228
Saskatchewan		7.2%	36
Manitoba		2.2%	11
Ontario		14.8%	74
Quebec		1.2%	6
New Brunswick		0.6%	3
Prince Edward Island		0.2%	1
Nova Scotia		0.2%	1
Yukon		0.2%	1

Totals: 499

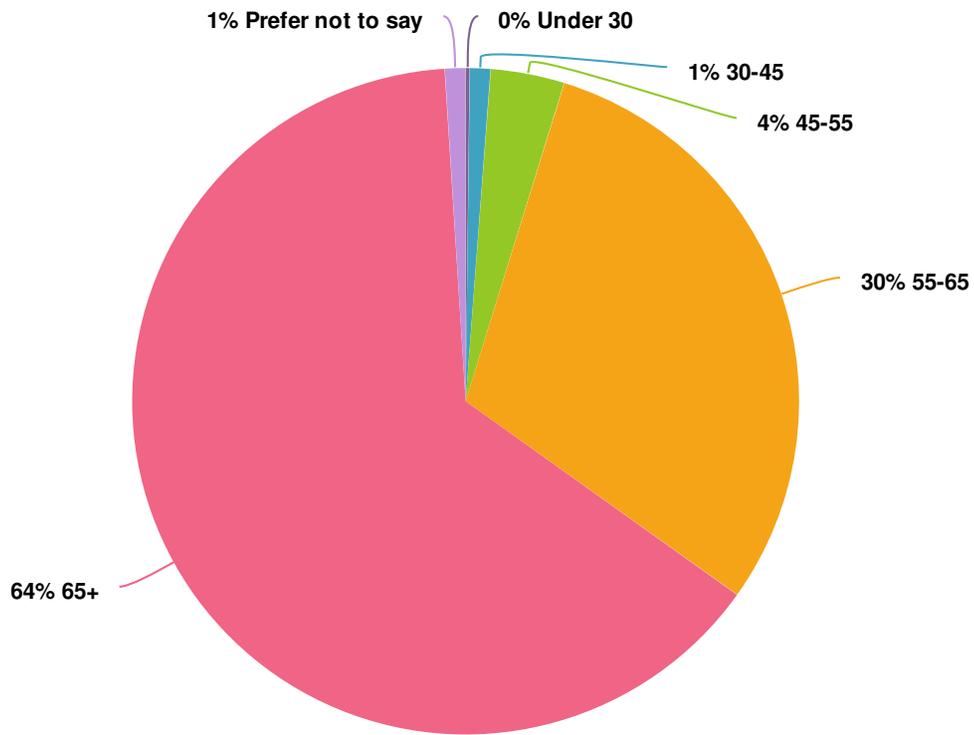
3. Are you a Canadian citizen?



Value		Percent	Responses
Yes		97.6%	494
No		2.4%	12

Totals: 506

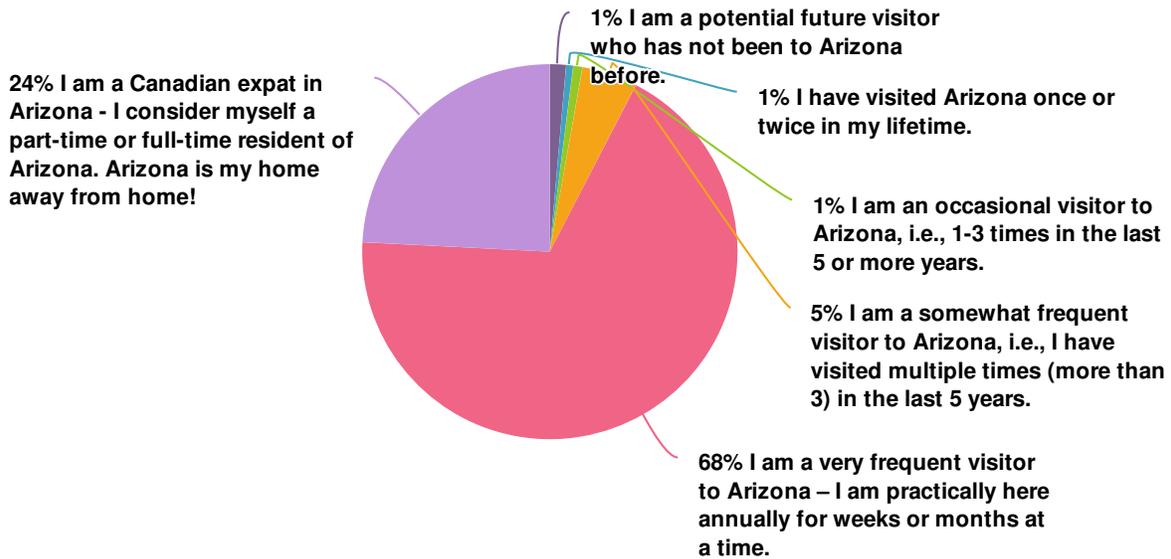
4. Your age range



Value	Percent	Responses
Under 30	0.2%	1
30-45	1.0%	5
45-55	3.6%	18
55-65	30.1%	152
65+	64.2%	324
Prefer not to say	1.0%	5

Totals: 505

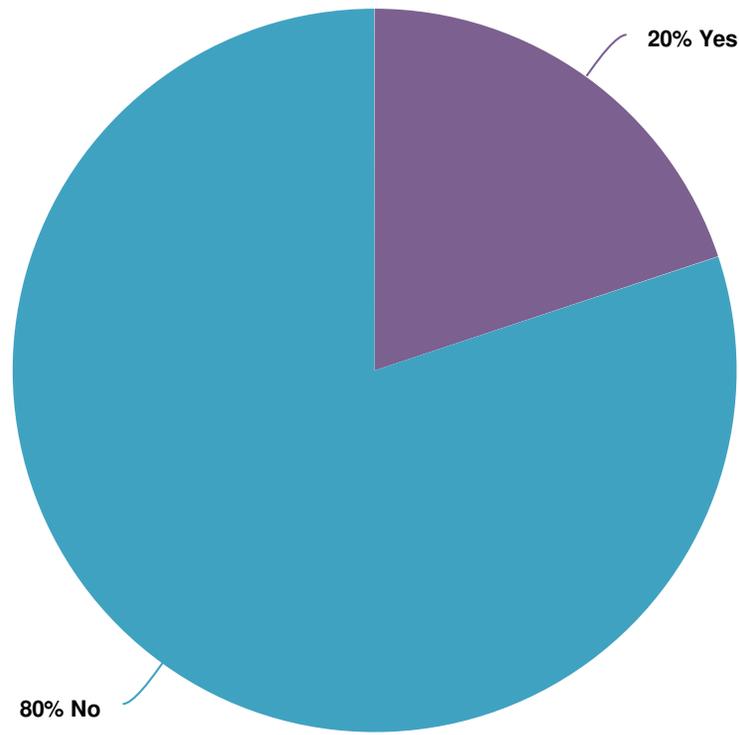
5. What type of Arizona visitor would you consider yourself to be?



Value	Percent	Responses
I am a potential future visitor who has not been to Arizona before.	1.4%	7
I have visited Arizona once or twice in my lifetime.	0.6%	3
I am an occasional visitor to Arizona, i.e., 1-3 times in the last 5 or more years.	0.8%	4
I am a somewhat frequent visitor to Arizona, i.e., I have visited multiple times (more than 3) in the last 5 years.	4.8%	24
I am a very frequent visitor to Arizona – I am practically here annually for weeks or months at a time.	68.3%	342
I am a Canadian expat in Arizona - I consider myself a part-time or full-time resident of Arizona. Arizona is my home away from home!	24.2%	121

Totals: 501

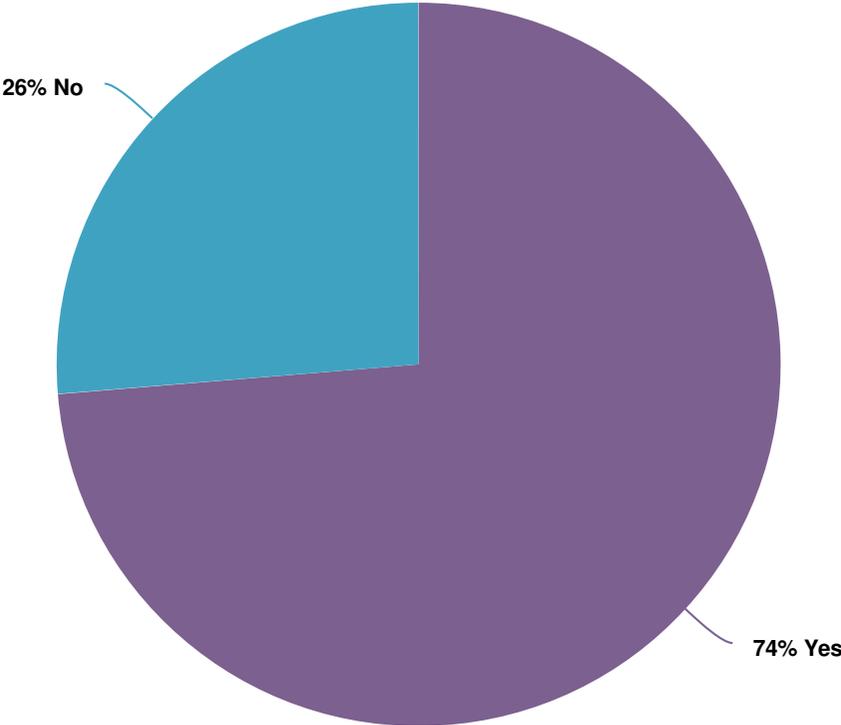
6. In the last ten years or less, have you ever contemplated leaving Canada or left Canada with a primary goal of scheduling healthcare or specialty medical services of any kind?

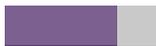


Value	Percent	Responses
Yes	19.9%	94
No	80.1%	378

Totals: 472

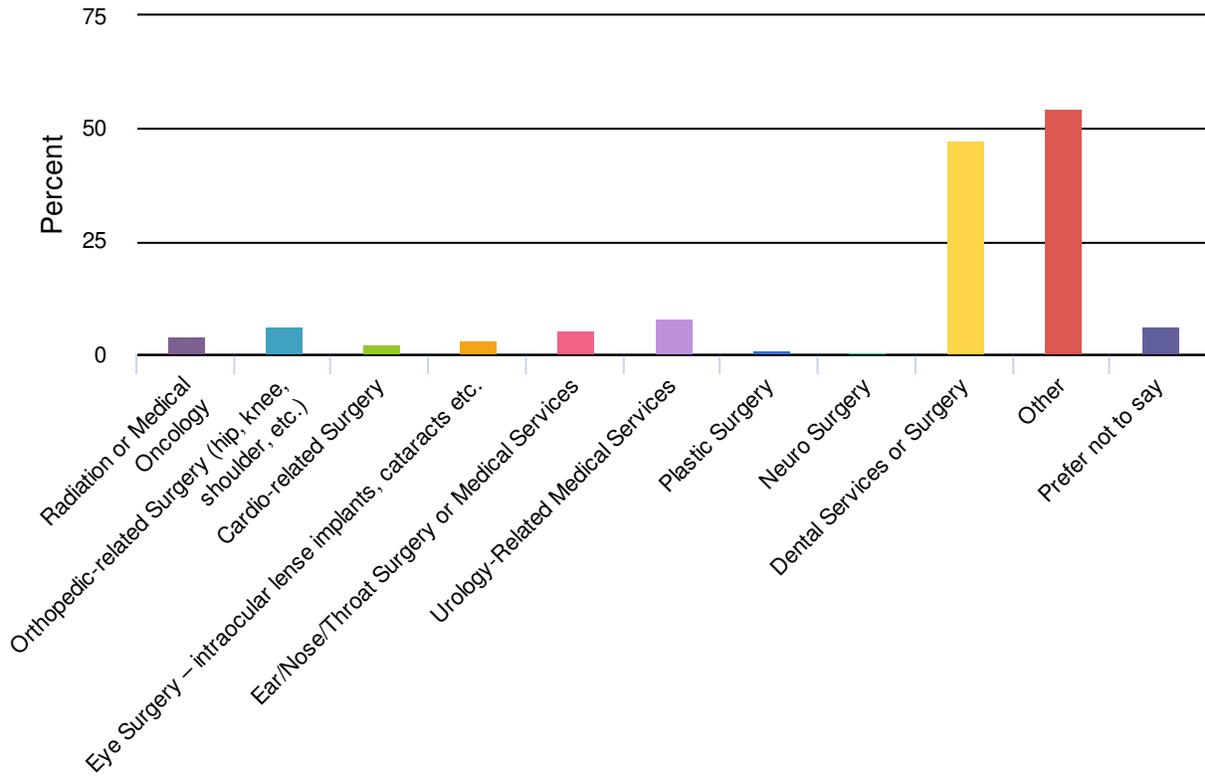
7. In the last ten years or less, have you ever received healthcare services or treatments or medical prescriptions of any kind (including dental, emergency and non-emergency) outside of Canada?



Value		Percent	Responses
Yes		73.7%	348
No		26.3%	124

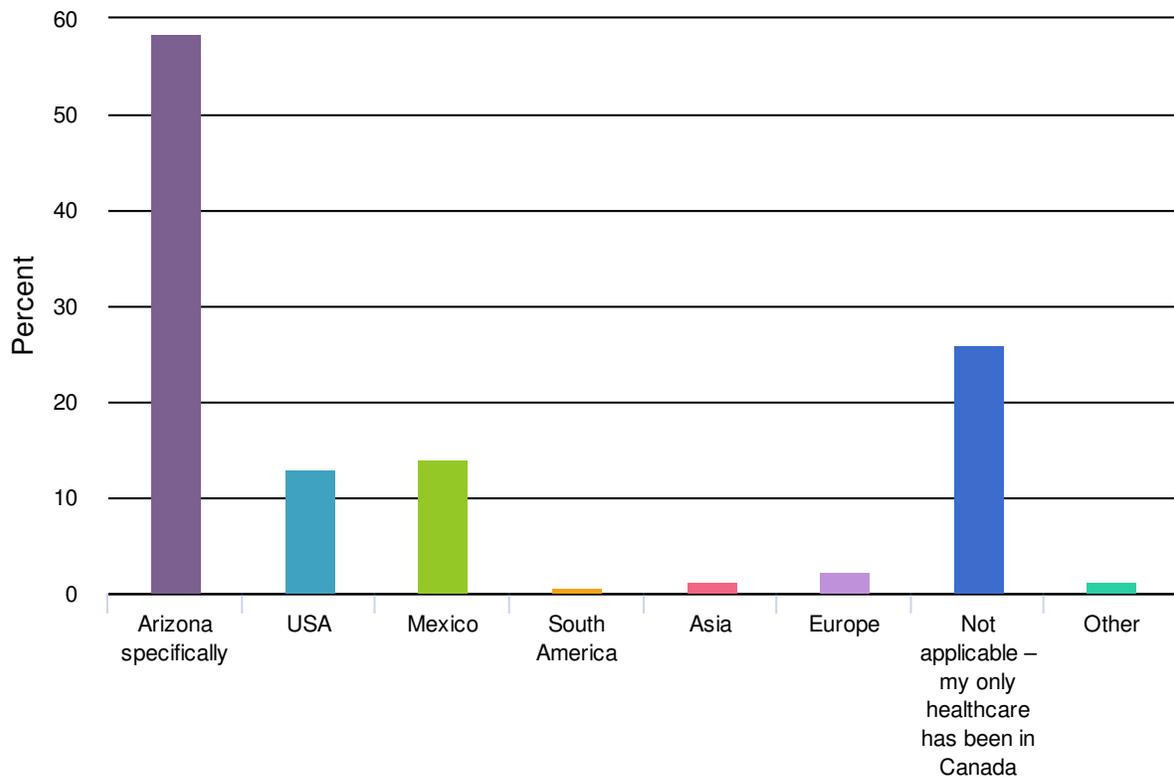
Totals: 472

8. check all that apply (optional):



Value		Percent	Responses
Radiation or Medical Oncology		4.1%	14
Orthopedic-related Surgery (hip, knee, shoulder, etc.)		6.2%	21
Cardio-related Surgery		2.4%	8
Eye Surgery – intraocular lense implants, cataracts etc.		3.0%	10
Ear/Nose/Throat Surgery or Medical Services		5.3%	18
Urology-Related Medical Services		8.0%	27
Plastic Surgery		0.9%	3
Neuro Surgery		0.3%	1
Dental Services or Surgery		47.6%	161
Other		54.7%	185
Prefer not to say		6.2%	21

9. In which locations outside of Canada (if any) have you received healthcare or specialty medical services (check all that apply):

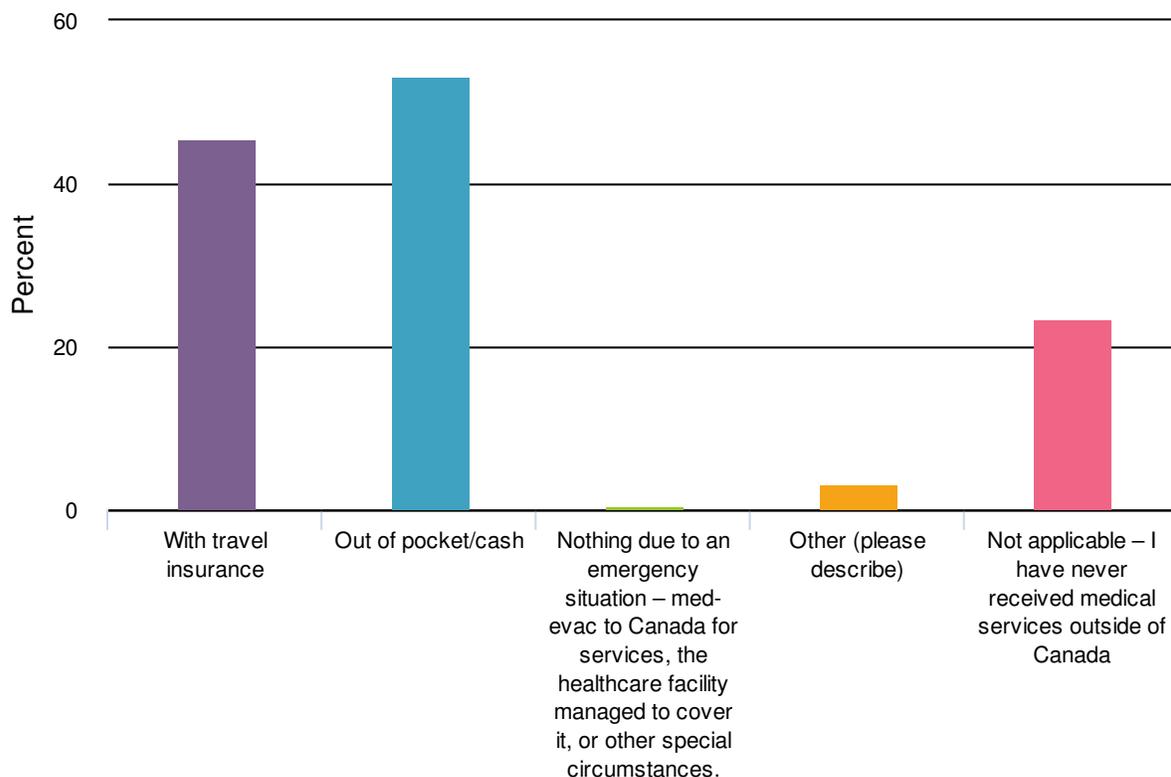


Value	Percent	Responses
Arizona specifically	58.6%	276
USA	13.0%	61
Mexico	14.0%	66
South America	0.6%	3
Asia	1.3%	6
Europe	2.3%	11
Not applicable - my only healthcare has been in Canada	25.9%	122
Other	1.3%	6

10. If other, please describe:

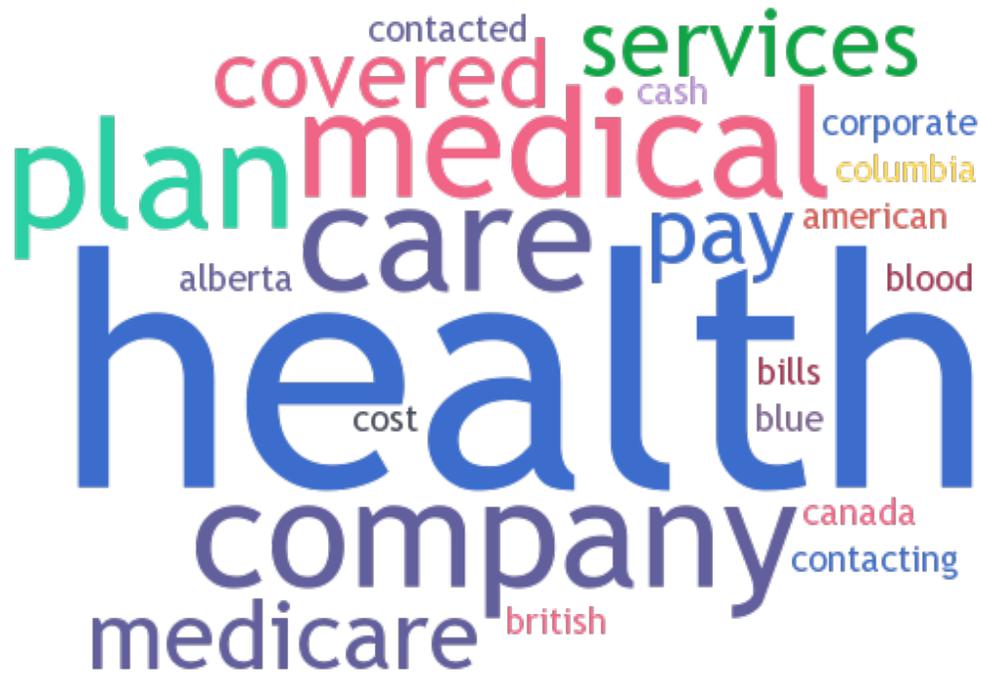
treatments
dental
zealand canada cruise
recd australia ship
chiropractor
panama

11. If you have received services outside of Canada for medical purposes, how have you paid for services (check all that apply)?

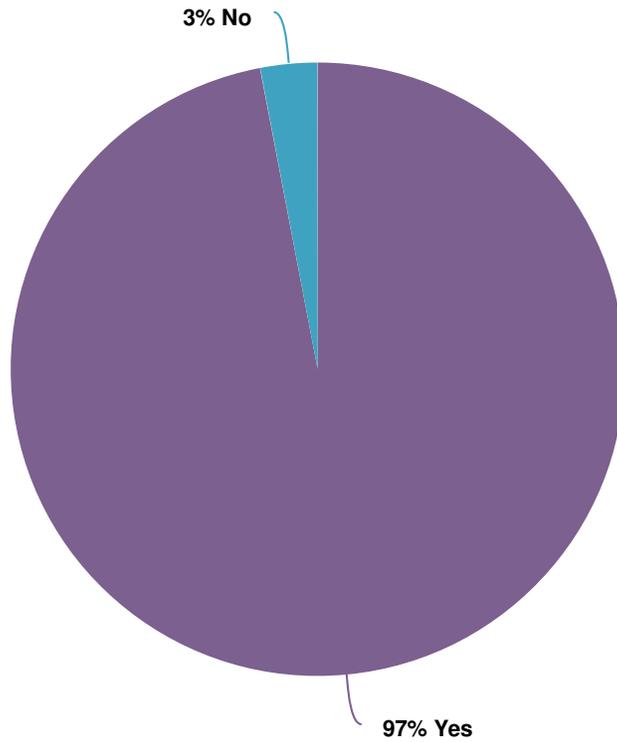


Value	Percent	Responses
With travel insurance	45.6%	215
Out of pocket/cash	53.3%	251
Nothing due to an emergency situation – med-evac to Canada for services, the healthcare facility managed to cover it, or other special circumstances.	0.4%	2
Other (please describe)	3.2%	15
Not applicable – I have never received medical services outside of Canada	23.4%	110

12. If other, please describe:



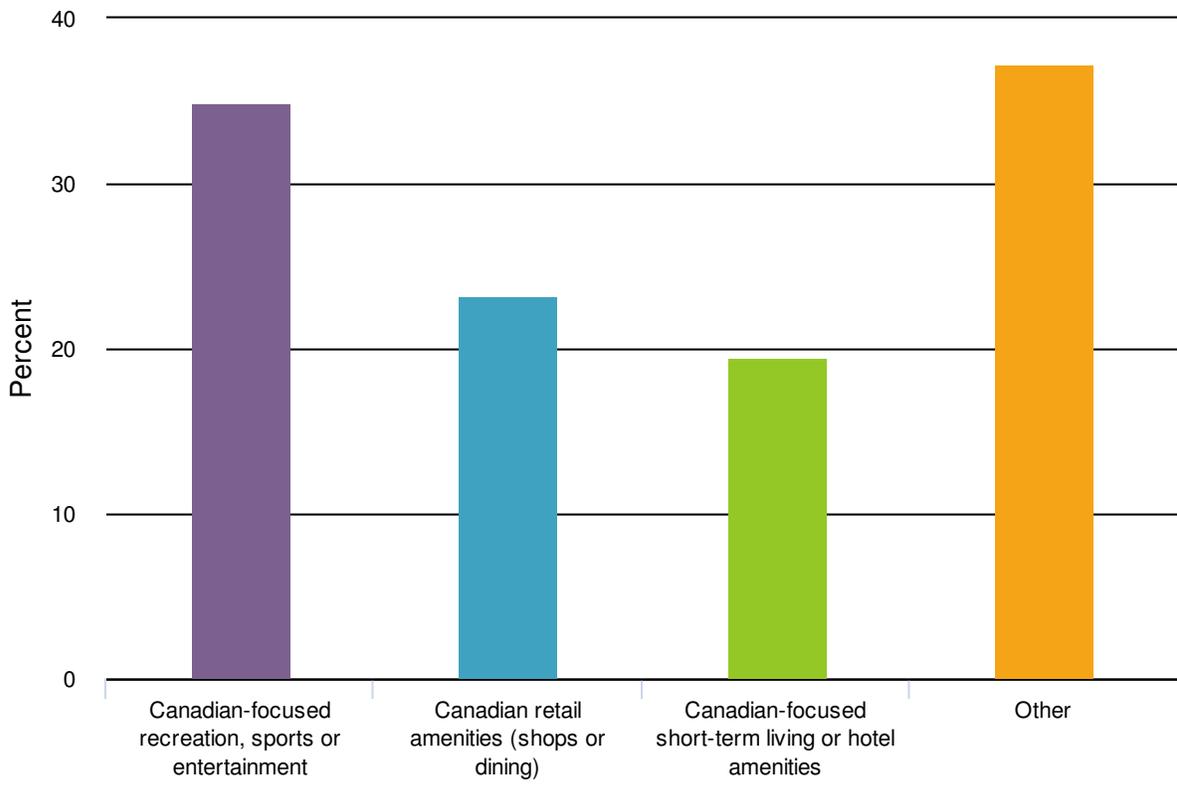
13. If you had the option of accessing a fully reimbursable Canadian standard of healthcare or medical service(s) from your Provincial health insurance plan during your visits to Arizona and receive optimally available services, would that be of interest to you?



Value	Percent	Responses
Yes	97.0%	457
No	3.0%	14

Totals: 471

14. Other than healthcare, what other services would be appealing to you in Arizona as a Canadian that are not currently being provided? Select all that apply



Value		Percent	Responses
Canadian-focused recreation, sports or entertainment		34.9%	161
Canadian retail amenities (shops or dining)		23.2%	107
Canadian-focused short-term living or hotel amenities		19.5%	90
Other		37.3%	172

15. If other, please describe:

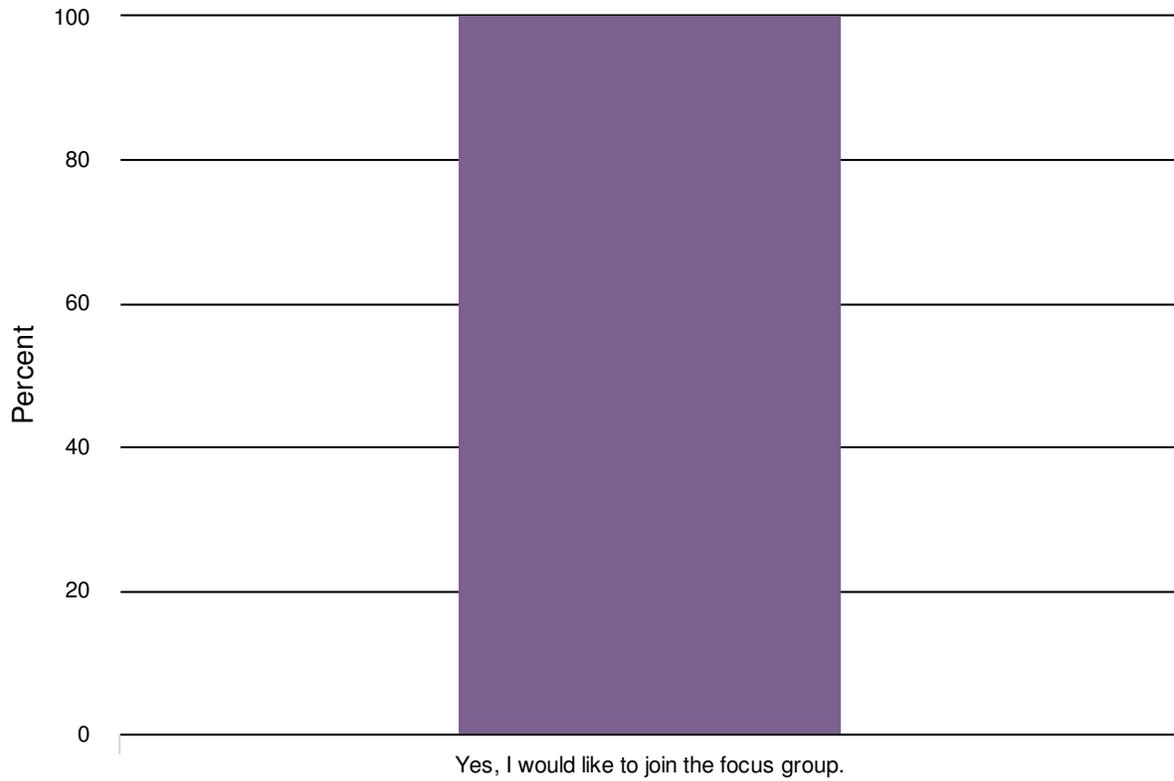


16. [OLD VERSION] Would you be willing to be contacted for a focus group in the City of Surprise during the month of January for a more in-depth conversation about medical services desired in Arizona for Canadians?

No data to display

Value	Percent	Responses
		Totals: 0

17. Would you be willing to be contacted for a focus group in the City of Surprise during the month of January for a more in-depth conversation about medical services desired in Arizona for Canadians?



Value		Percent	Responses
Yes, I would like to join the focus group.		100.0%	180

18. Please provide your contact information so we may contact you to schedule an appointment in the next couple of weeks.

19. Thank you for helping us build a better understanding of how to serve our valued Canadian visitors and residents! If you would like to be contacted with the survey results and feasibility report and enter to win tickets to a 2018 Spring Training game in Surprise, please provide your email address:

13. Appendix B: Surprise Economic Development Survey Validation by Rounds Consulting



Date: February 5, 2018

To: Jeanine Jerkovic
City of Surprise

From: Rounds Consulting Group, Inc.

Re: Canada-Arizona Healthcare Survey Review

Dear Ms. Jerkovic:

Rounds Consulting Group, Inc., was retained by the City of Surprise (City) to analyze the approach and statistical validity of the City's Canada-Arizona Healthcare Survey (Survey). This review identified that the City collected a satisfactory number of responses and utilized a reasonable number of approaches to solicit feedback. The results can be relied upon in combination with the City's other research efforts on the topic.

Background – City Effort

The City of Surprise is in the beginning phases of creating a pilot project that would provide healthcare for Canadian visitors in accordance with Canadian standards and delivery. The City conducted the Canada-Arizona Healthcare Survey in order to help develop the pilot project and assess the feasibility of the healthcare service model.

The Survey was mailed to verified Canadian national-owned residences located within the City and was made available through networking and social media channels, too. The Survey was open for roughly one month, lasting from mid-December 2017 until January 19, 2018.

Survey questions ranged from asking what type of Arizona visitor the respondent considers themselves to be (Canadian expat, frequent visitor, etc.), to asking if a respondent has considered leaving or has left Canada for medical services, to asking the type of healthcare services received and where it was provided. These series of questions will allow the City to focus on specific types of healthcare procedures that Canadian nationals routinely have sought outside of the country and will allow for coordination with local healthcare facilities to determine the feasibility of providing those same services.

The City identified 1,200 opportunities for feedback and received 657 total responses, of which 447 were deemed to be fully complete and 210 were deemed to be significantly complete. No individual question, excluding questions with multiple answer possibilities, received more than 506 responses, nor did any individual questions receive fewer than 471 responses. This consistent response rate per question lends credibility to the results.



Background – Statistical Analysis

There are specific standards that are used in constructing and analyzing the results of a survey effort. Equations can be applied to the survey response count that use predetermined thresholds for identifying the desired confidence level and confidence interval. For efforts that require a high degree of certainty, a 99% confidence level is typically desired. For other efforts that require a high degree of accuracy but the decision-making is also based on other supporting research, a confidence level of 95% is acceptable. For these types of efforts, a confidence interval (i.e. the + or – that is typically included in the findings) should range between 3 and 5. Analyses can be completed on each survey question or on the broader results as a whole.

Additional considerations exist such as the method of soliciting the survey feedback. If one method is used but that method is biased towards a particular type of respondent, the results will be biased unless the respondent resides within the target audience. For example, one can argue that an elderly person will be more likely to respond to mail based surveys while younger individuals will be more likely to respond to web based solicitation. In the past, it was deemed more reliable to solicit responses in person near retail centers or other high traffic areas. However, that condition is becoming less reliable with changing buying habits of consumers. Overall, a survey that utilizes multiple approaches to gather feedback can generally be considered the most reliable.

Survey Analysis

Rounds Consulting Group, Inc., utilized accepted statistical analysis techniques to determine the validity of the results that the City received in this survey.¹ With 95 percent certainty and a confidence interval of +/-5, standard statistics requires a sample size of 291. Even when taking into account that 210 of the 657 responses were deemed to be significantly but partially complete, 447 fully-completed responses satisfies the required sample size under the above conditions. If the confidence interval is moved to +/-3, the sample size required for a confidence level of 95% rises to 404, still under the number of fully-completed survey responses.

It is also commonly accepted that 500 survey responses for this kind of an effort make a survey valid. With each question exceeding the 291-response threshold as outlined above and nearing 500 responses, the validity is further enhanced. Finally, the City's use of multiple outreach methods demonstrates an attempt to account for variations in how a population may respond to a survey and enhances the likelihood of a diverse sample size.

One potential qualifier is that the survey was conducted within a single community and it is not certain individuals with stated traits or habits are equally distributed throughout the broader economic region. However, the proposed policy project will indeed be specific to the City of Surprise, and the survey results are intended to compliment other research that has been conducted on this matter.

Rounds Consulting Group, Inc., deems the Survey administered by the City of Surprise to be valid.

¹ *Brief Business Statistics*. Watson, Billingsley, Croft, and Huntsberger.

14. Appendix C: Medical Offering Case Study Outline

KNEE OR HIP

- I. No complications
- II. Requiring a full 24-hour observation and stabilization
Known Comorbidity(s) such as COPD/Asthma, Cardiac (CHF, HTN, Pacer), DM, Advanced Age, Neurological (CVA/Seizures), Bariatric, Polypharmacy, Anticoagulants
 - a. Least Severe
 - Nausea, unable to tolerate fluids/food
 - Requires IV fluids / nausea medication
 - Pain management
 - Requires IV pain medication for control of pain
 - Psychosocial issues such as acceptance, depression, anxiety
 - New onset afib (asymptomatic) requiring 24-hour monitoring
 - b. More Severe
 - Side effects of anesthesia
 - Unable to void, urinary retention
 - Requires indwelling catheter placement and obs
 - Unfavorable lab results
 - Requires correction and monitoring (K+, Na+, BS, Hgb, etc.) and follow-up labs
 - Excessive bleeding
 - Requires further stabilization and control of bleeding
 - Unable to pass gas
 - GU:
 - Blood in urine beyond CBI (4 hours)
 - Hyponatremia (TURP) <https://www.mayoclinic.org/tests-procedures/turp/about/pac-20384880>
 - Confusion or delirium
- III. Emergent Care (by body system) Stabilize then transfer to appropriate facility
 - a. Respiratory-
 - COPD/Asthma exasperation
 - Complications with intubation/respiratory distress/esophageal spasm
 - Need for supplemental O2
 - Aspiration
 - b. Cardiac/circulatory-
 - Dysrhythmias, new onset afib or block requiring further cardiac treatment such as Cardizem IV or cardiac consultation, chest pain, halter monitoring, hypertension (not controlled by PO medications),

hypotension, bradycardia requiring pacing or pacemaker, abnormal EKG post op, elevated troponin post-op,

- c. Metabolic/Endocrine-
Abnormal blood glucose level, electrolyte imbalance requiring IV medications, hyperglycemia requiring follow up insulin IV or treatment
 - d. Neuro-
New onset confusion
Seizure
 - e. GI/GU/Nephro-
Small bowel obstruction SBO
- IV. Critical Care (Requiring Transfer to acute care for immediate intervention)
- a. Cardiac-
Cardiac Arrhythmia/dysrhythmia, pacing, or sync cardioversion requiring further interventions
Hemorrhage
Cardiac arrest
 - b. Respiratory-
Respiratory Arrest, PE
 - c. Neuro-
Stroke-hemorrhagic, ischemic, seizure (severe)

EYES

Visual acuity
Excessive bleeding

Partners:

Stroke Center / Chest Pain Center: Banner Del E. Webb Hospital; Sun City West
Cardiac (open heart) Banner Boswell; Sun City
Neuro (advanced/hemorrhagic stroke) Barrow Neurological Institute; Phoenix
Respiratory Arrest –Banner Del E Webb; Sun City West
Urology-
Ophthalmology-

Follow up or continued care partners (may be more than 1 option)

Other areas to address:

EMS ground and Life Flight Capabilities (air pad)